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FISCAL IMPACT STATEMENT

LS 7187

BILL NUMBER: HB 1682

NOTE PREPARED: Jan 12, 2009

BILL AMENDED:

SUBJECT: Victim Compensation Fund.

FIRST AUTHOR: Rep. Summers

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires the Criminal Justice Institute (CJI) to prepare and distribute informational materials regarding the Victim Compensation Fund to all law enforcement agencies throughout the state. The bill requires law enforcement agencies to provide victims of violent crimes a copy of the Criminal Justice Institute's informational materials concerning the Victim Compensation Fund.

Effective Date: July 1, 2009.

Explanation of State Expenditures: This bill requires the Criminal Justice Institute to provide informational materials regarding the Violent Crime Victim's Compensation Fund to all law enforcement agencies in the state.

Publication Expenses: CJI may experience additional expenses to provide all necessary informational materials to law enforcement in order to fully supply agencies with information materials. Expenses to provide informational materials will vary depending on administrative decisions by CJI to provide all necessary information in adequate supplies to law enforcement agencies or if CJI will provide informational materials to law enforcement agencies for duplication. Additionally, if law enforcement agencies are required to duplicate materials provided by CJI, this may increase the workload and expenditures of the Indiana State Police.

It is not known how CJI will decide to provide informational materials to law enforcement or what type of informational materials will be provided. Costs can be minimized if victims are provided a document that contains all necessary information regarding compensation under the Fund. This document can be electronically communicated to law enforcement agencies and reproduced in-house by the receiving agencies.

However, if CJI decides to make informational pamphlets available to law enforcement agencies, additional costs, discussed below, may be incurred.

State Expenditures if CJI Provides All Materials to Law Enforcement Agencies: CJI estimates there are 800 law enforcement agencies in the state. Current costs for informational materials provided by CJI and the Indiana Department of Corrections have a cost of \$400 per 1,000 publications; however, price decreases as the quantity ordered increases. If each law enforcement agency receives approximately 1,000 brochures a year, a maximum printing cost of \$320,000 would be experienced. Brochures are shipped in 1,000 to 1,200 increments at a weight of 32 pounds. In order to distribute these materials, postage would need to be obtained. UPS shipping costs are approximately \$14 per 32-pound load for a distance from Indianapolis to Ft. Wayne. Total estimated shipping costs for all 800 agencies would be approximately \$11,200. Total estimated costs to provide informational materials to all law enforcement agencies would be \$331,000.

Victim's Compensation: CJI reports that third parties as well as law enforcement officers currently provide victims of violent offenses with information regarding Fund compensation. CJI reports that individuals that operate under third-party information regarding victim's compensation have a higher incidence of benefit applications denials. This legislation may increase approved benefit applications through consistent information that is provided to victims. As a result, the annual expenditures to the Fund may increase.

CJI reports that in CY 2007, there were 2,216 applications received to the Fund for sex crimes, of which 1,938 were approved and 278 were denied. The average award was \$1,650. During the same year, 1,096 applications to the Fund were received for violent crime, of which 172 were denied and 924 were approved pending final disposition. No information was available regarding an average award for violent offenses.

These awards were paid for with appropriations from the Fund as well as money received from the federal Victims of Crime Act (VOCA) grant. If informational materials regarding compensation from the Fund increase the number of approved claims, Fund expenses may increase. However, some expenses may be offset from revenue received from the VOCA program. Assuming the 450 individuals who received incorrect third-party information may receive compensation as a result of the informational materials, the maximum estimated increases in expenditures to the Fund would be \$743,000 per year.

It should be noted that current law requires that if payment of all awards in a given month were to reduce the Fund's balance to less than \$250,000, claim payments are to be suspended for that month and two months thereafter. After this period, claims are required to be paid either in full or on a prorated basis to avoid exhausting the fund. Additionally, the state is only liable to the extent that money is available in the Fund to pay claims. Any increase in state expenditures to provide victim's compensation are subject to these requirements.

Background Information: CJI reports that they recently partnered with the Department of Corrections to disseminate informational materials on the Fund throughout the state. These materials were distributed to law enforcement, victim shelters, hospitals, and others. Not all law enforcement received these informational materials. If CJI decides to further duplicate these materials and provide these materials (in adequate supply) to the remaining law enforcement agencies that did not receive them in the initial mailing, this will help to minimize expenditures to meet the provisions of this legislation. Further, if CJI were to utilize the same informational materials already distributed and provide informational materials to law enforcement agencies for duplication to meet the needs of providing information to victims, this can further minimize expenditures experienced by CJI.

The Violent Crime Victim's Compensation Fund is made up of the following revenue sources: (1) fees and penalties paid by perpetrators found guilty, (2) 10% of an offender's gross earnings if employed by a private employer, (3) 10% of gross earnings of an offender employed by a work release program, (4) \$1,106,749 transferred to the Fund on June 30th and December 31st of each year by the Auditor of State, (5) 75% of punitive damage awards issues in a civil action, (6) restitution ordered by the court as a condition of probation, and (7) appropriations made by the General Assembly. In FY 2008 and 2009, the Fund was appropriated \$2,461,000 and \$2,527,000, respectively.

Explanation of State Revenues:

Explanation of Local Expenditures: Local expenses to provide informational materials will vary depending on administrative decisions by CJI to provide all necessary information in adequate supplies to local law enforcement agencies or if CJI will provide information materials to law enforcement agencies for duplication to meet the needs of providing information to victims. Additionally, if local law enforcement agencies are required to duplicate informational materials provided by CJI, this may increase the workload of local law enforcement agencies.

Explanation of Local Revenues:

State Agencies Affected: CJI, Indiana State Police.

Local Agencies Affected: Local law enforcement agencies.

Information Sources: David Stewart, CJI; U.S. Department of Justice, Federal Victims of Crime Act program information.

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